

STAKEHOLDER ANNOUNCEMENT

USDA Implements New Banded Income Limits, Lower Interest Rate and Increased Area Loan Limits to Increase Homeownership Opportunities for Rural Individuals and Families

The United States Department of Agriculture has announced new Banded income limits for Rural Development's [Single-Family Housing Direct Home Loan](#) program (also known as Section 502). The new Banded income limits (1-4 person, and 5-8 person limits) may make more households eligible to obtain 100 percent financing through USDA's homeownership programs. The new 2019 income limits went into **effective August 1, 2019** and are based on the county and the size of household. View the full list of [income limits](#) by county and household size to determine preliminary eligibility.

USDA Rural Development loan programs offer affordable fixed rates with no down payment. **Effective August 1, 2019**, the interest rate for the [Direct Home Loan](#) program decreased from 3.50% to 3.125%. Depending on household incomes, mortgage payments may be further subsidized to as low as one percent interest rate.

Effective August 5, 2019, the Mortgage limits through the Direct Home Loan program increased to \$251,862 for all counties except Carver, Chisago, Dakota, Isanti, Le Sueur, Mille Lacs, Scott, Sherburne, Sibley and Wright Counties. The mortgage limits in these 10 counties will increase to \$293,480.

Properties eligible for Rural Development financing must be in rural communities. To determine if the area you are looking to purchase a home is eligible for the Single-Family Direct Home Loan program, visit <https://eligibility.sc.egov.usda.gov/eligibility/welcomeAction.do>.

USDA Rural Development loan programs are available to assist low- and moderate-income households to become homeowners when conventional financing is not available. Barriers to obtaining affordable housing may include lack of cash reserves for down payment and the availability of suitable financing. Applicants must have acceptable credit history and repayment ability. Credit scores of 640 or greater are typically considered as acceptable, however, credit scores below 640 may also be considered with additional credit analysis.

To learn more about Rural Development's Single-Family Direct Home Loan program, or any other Housing programs, visit www.rd.usda.gov/mm and contact your local [Area Office](#).